

HEALTH AND SANITATION PROGRAM

Exchange of notes at Lima June 18 and 25, 1947, supplementing and extending agreement of May 9 and 11, 1942, as supplemented and extended; supplemental agreement of June 28, 1947, between the Institute of Inter-American Affairs and the Minister of Public Health and Social Welfare

Entered into force June 25, 1947; operative July 1, 1947

*Extended by arrangement of June 30, 1948 between the Institute of Inter-American Affairs and the Minister of Public Health and Social Welfare*¹

Program expired June 30, 1960

61 Stat. 3361; Treaties and Other
International Acts Series 1673

EXCHANGE OF NOTES

The American Ambassador to the Minister of Foreign Affairs

EMBASSY OF THE
UNITED STATES OF AMERICA
Lima, June 18, 1947

No. 584

EXCELLENCY:

I have the honor to refer to Your Excellency's note No. (D)-6-3/35 of April 16, 1947² and to Ambassador Cooper's note No. 485 of April 19, 1947,¹ by which the Cooperative Health and Sanitation Program in Perú was extended through June 30, 1947.

I now have been requested by my Government to advise Your Excellency that, if the Government of Perú desires, the Institute of Inter-American Affairs, representing the United States, will extend the Cooperative Health and Sanitation Program through June 30, 1948, and will make available for that purpose the additional sum of \$196,582, of which \$50,000 will be contributed to the Servicio Cooperativo Interamericano de Salud Pública and the balance will be used for payment of the expenses of the field party furnished by the Institute.

The Institute of Inter-American Affairs has approved the extension of the Program with the understanding that the Government of Perú will contribute to the expenses of the Servicio Cooperativo Interamericano de Salud Pública the funds necessary to complete the budget for the Program contemplated

¹ Not printed.

² TIAS 1630, *ante*, p. 1251.

which amounts to \$550,000 or its equivalent in Peruvian currency to be computed at the official rate of exchange.

I shall be grateful if Your Excellency will advise me concerning the desires of the Government of Perú regarding the acceptance of this offer of the Institute of Inter-American Affairs to extend the Cooperative Health and Sanitation Program in Perú on the basis above indicated.

I avail myself of this occasion to extend to Your Excellency the renewed assurance of my highest and most distinguished consideration.

RALPH H. ACKERMAN

His Excellency

Dr. ENRIQUE GARCÍA SAYÁN,
Minister for Foreign Affairs,
Lima.

The Minister of Foreign Affairs to the American Ambassador

[TRANSLATION]

MINISTRY FOR FOREIGN AFFAIRS
AND WORSHIP

No. : (D)-6-3/70

LIMA, June 25, 1947

MR. CHARGÉ D'AFFAIRES :

I have the honor to acknowledge the receipt of your courteous note No. 584 of the 18th of the current month, in which you are good enough to inform me that, if the Government of Peru so desires, the Institute of Inter-American Affairs, which represents the United States of America, will extend until and including June 30, 1948 the Cooperative Health and Sanitation Program under the conditions which you mention, the Government of Peru having to contribute to the expenses of the Service the funds necessary to make up the approved Budget.

In reply, I am happy to inform you, in accordance with the communication made to my Department by the Ministry of Public Health, that the Peruvian Government accepts with pleasure this offer to continue the Cooperative Health and Sanitation Program in Peru.

I avail myself of the opportunity to renew to you, Mr. Chargé d'Affaires, the assurances of my most distinguished consideration.

E. GARCÍA SAYÁN

The Honorable

RALPH H. ACKERMAN

Chargé d'Affaires ad interim
of the United States of America.
City

SUPPLEMENTAL AGREEMENT RELATIVE TO THE COOPERATIVE PROGRAM IN
HEALTH AND SANITATION UNDERTAKEN BY THE GOVERNMENTS OF PERU
AND THE UNITED STATES OF AMERICA

This Supplemental Agreement between Dr. Alberto Hurtado, Minister of Public Health and Social Welfare, representing the Government of Peru (hereinafter called the "Minister"), and the Institute of Inter-American Affairs, a corporate instrumentality of the Government of the United States of America, (hereinafter called the "Institute"), represented by Dr. Ernest B. Howard, (hereinafter referred to as the "Special Representative"), is entered into for the purpose of recording an extension and modification of the cooperative program of health and sanitation which was undertaken by virtue of an exchange of notes between His Excellency David Dasso, Minister of Finance and Commerce of Peru, and His Excellency Sumner Welles, Under Secretary of State, the United States of America, in May 1942,³ and in accordance with the agreement and amendments set forth in the subsequent exchange of letters between the Institute and the Minister, dated July 7, 1942 and July 11, 1942;⁴ October 10, 1942, October 13, 1942, and October 31, 1942;⁴ March 11, 1944,⁵ March 15, 1944,⁶ and October 14, 1944;⁴ and by the Supplemental Agreement dated March 27, 1947⁷ (all of which letters and Supplemental Agreement hereinafter being collectively called the "Basic Agreement").

CLAUSE I

The parties hereto mutually intend, agree and declare that the Basic Agreement be and hereby is extended for an additional period of one year, from the first day of July 1947 through the thirtieth day of June 1948, and modified in accordance with the clauses hereinafter set forth.

CLAUSE II

The cooperative health and sanitation program in Peru shall continue to be carried out through the Servicio Cooperativo Inter-Americano de Salud Publica (hereinafter called the "Servicio").

CLAUSE III

The Institute shall continue to be represented in Peru by a group of its officials and technicians known as the "Field Party of the Health and Sanitation Division of The Institute of Inter-American Affairs in Peru", and such group of officials and technicians shall remain under the immediate direction of an Institute official known as the "Chief of Field Party". The Chief of

³ EAS 441, *ante*, p. 1154.

⁴ Not printed.

⁵ TIAS 1578, *ante*, p. 1174.

⁶ TIAS 1578, *ante*, p. 1177.

⁷ TIAS 1630, *ante*, p. 1251.

Field Party shall continue to serve as Director of the Servicio for the period comprehended by this Supplemental Agreement. The salaries and expenses, including travel expenses of the personnel of the Institute working in Peru, will be paid by the Institute from funds exclusive of those allotted to or deposited to the account of the Servicio.

CLAUSE IV

The funds of the Servicio which are unspent and unobligated on June 30, 1947, the expiration date of the Basic Agreement, shall continue to be available for use in carrying out the cooperative health and sanitation program in accordance with the terms of this Supplemental Agreement.

CLAUSE V

In addition to the funds required for the contributions of the parties in accordance with the Basic Agreement, the cooperative health and sanitation program shall be further financed during the period established by this Supplemental Agreement, as follows:

A. The Institute shall contribute the sum of not to exceed one hundred ninety-six thousand five hundred eighty-two dollars (\$196,582) of which amount fifty thousand dollars (\$50,000) U.S. currency shall be deposited to the account of the servicio in the following manner:

| | |
|----------------------|-----------|
| During July, 1947 | \$25, 000 |
| During January, 1948 | 25, 000 |

B. The Institute will use the balance of the funds to be contributed to pay the salaries and expenses, including travelling expenses, of the personnel of the Institute Field Party in Peru and other Institute employees incurred after July 1, 1947. The estimated sum of approximately one hundred forty-six thousand five hundred eighty-two dollars (\$146,582) U.S. currency will be retained for these purposes separately and apart from the funds to be deposited to the account of the Servicio by the Institute and any unexpended portion thereof shall remain the property of the Institute.

C. The Government of Peru shall deposit to the account of the Servicio the equivalent in Peruvian currency of Five hundred fifty thousand dollars (\$550,000.00), U.S. currency at the official conversion rate in soles per U.S. dollar, in the following manner:

| | |
|---------------------|----------------|
| During July 1947 | \$137, 500. 00 |
| During October 1947 | 137, 500. 00 |
| During January 1948 | 275, 000. 00 |

D. The Institute may withhold from the deposits called for by Clause V-A hereof the estimated amounts deemed necessary by the Minister and the Chief of Party to pay for the purchase in the United States of America of materials, supplies and equipment and other expenses relating to the execu-

tion of the program. Any funds so withheld by the Institute shall be considered as deposited under the terms of Clause V-A hereof but, if they are not expended or obligated for such purposes, they shall be deposited to the account of the Servicio at any time by mutual agreement of the Minister and the Chief of Party.

E. By written agreement between the Minister and the Chief of Party, the dates for making deposits, as fixed under Clauses V-A and V-C may be amended according to the needs of the program.

F. Contributions, in addition to those set out in Clauses V-A and V-C may be received by the Servicio from any source whatsoever and expended by it in the same manner as other funds for the uses and objectives of the cooperative health and sanitation program provided that the receipt of any such additional contributions by the Servicio shall first be agreed upon in writing in advance by the Minister and Chief of Party, and Director of the Servicio.

G. Any funds and other property acquired by the Servicio which may be unexpended or unused and unobligated at the termination of the period comprehended by this Supplemental Agreement shall remain the property of the Government of Peru and continue to be used for the purposes of the cooperative health and sanitation program in such manner as may be mutually agreed upon in writing by the Minister, Chief of Party and the Director of the Servicio.

H. Interest on funds of the Servicio, and any income, upon investments of the Servicio, and any increment of assets of the Servicio of whatever nature or source, shall be dedicated to the realization of the program and shall not be credited against the contributions of the Government of Peru or of the Institute.

CLAUSE VI

The funds provided in this Supplemental Agreement for deposit to the Servicio may be used for maintaining projects in operation, including projects within and outside the Amazon area, and for projects to be placed in operation. The cooperative health and sanitation program shall continue to consist of individual projects. Each project shall be embodied in a project agreement which shall be mutually accepted and signed by the Minister, the Chief of Party and the Director of the Servicio. Each project agreement shall define the nature of the work to be done, the allocation of funds therefor, the parties responsible for the execution of the project and any other matters which the contracting parties may wish to determine. The transfer from the Servicio to the Ministry of Public Health and Social Welfare or otherwise of the administration, operation, control and ownership of the individual projects shall be determined and prescribed for in written agreements signed by the Minister, the Chief of Party and the Director of the Servicio.

CLAUSE VII

All contracts and agreements to be made by the Servicio shall be made, signed and executed by the Minister and the Director of the Servicio. The general policies and procedures governing the realization of the cooperative health and sanitation program, the carrying out of the projects and the operations of the Servicio such as, but not limited to, the disbursement and accounting of funds, the purchase, use, inventory, control and disposition of property, and any other administrative matters, shall be determined and established by mutual written agreement between the Minister, the Chief of Party and the Director of the Servicio. The procedures and methods established and in use for the operation of the Servicio under the Basic Agreement shall continue to apply to the operation of the Servicio during the period fixed in this Supplemental Agreement unless changed and amended as herein provided.

CLAUSE VIII

The employees of the Servicio shall be employed and retained by the Minister in accordance with proposals made by the Director of the Servicio to the Minister on the persons to be employed and replaced in the Servicio and the Director will be the exclusive and final judge of their qualifications. The details of employing and replacing employees of the Servicio shall be in accordance with the general policies agreed upon by the Minister and the Director of the Servicio.

CLAUSE IX

The same rights and privileges which are enjoyed by official divisions of the Government of Peru and by the personnel and employees of the same, shall accrue to the Servicio and to all its personnel and employees while performing their official duties. These rights and privileges shall include, for example only and not exclusively, similar rights and privileges as to telephone, telegraph, postal or transportation services, rates, etc. The customs duties paid by the Servicio for equipment, supplies and medicines destined for public health and sanitation use in Peru will be reimbursed to the Servicio by the Minister of Finance as shown by the respective customs house documents and receipts.

CLAUSE X

For the purpose of this agreement, the Government of Peru accepts and recognizes the Institute as a corporate instrumentality of the Government of the United States of America and therefore, among other things, the Institute shall be exempt from all import and export tariffs, taxes, contributions and other charges. The customs duties paid by the Institute for import of supplies, equipment and materials destined for the use of the Institute will be

reimbursed to the Institute by the Minister of Finance as shown by respective Customs House documents and receipts.

CLAUSE XI

The members of the Field Party will not be obligated to pay to Peru any direct tax or contribution for purposes of social security or retirement on salaries or income when they are subject to such taxes or contributions in the United States of America. The Government of Peru shall extend free entry or shall pay the corresponding charges for material and equipment necessary for the professional use of personnel of the Field Party. In like manner the Government of Peru shall either grant free entry or pay corresponding duties on personal effects of Field Party members according to the limitations covering members of the Diplomatic Corps accredited to the Government of Peru; for the purposes of this agreement Field Party members shall be considered as having the same free entry privileges as First Secretaries in the Diplomatic Service.

CLAUSE XII

The books, records and accounts of the Servicio shall be open at all times for their inspection by representatives of the Government of Peru and of the Institute. The Director of the Servicio shall render reports to the Government of Peru and to the Institute at such intervals as are agreed upon between the Minister and the Chief of Party.

CLAUSE XIII

The Minister, the Chief of Party and the Director of the Servicio are empowered to delegate their authority, prerogatives and functions to duly appointed representatives of their own choosing provided that each such representative shall be satisfactory to the said official of the other government.

CLAUSE XIV

This Supplemental Agreement shall become effective upon the exchange of diplomatic notes concerning the health and sanitation program between the Minister of Foreign Affairs of the Government of Peru and the Embassy of the United States of America to Peru, or upon the date of execution hereof, in the event such notes have heretofore been exchanged. The Basic Agreement shall remain in full force and effect for the purpose of extending the cooperative health and sanitation program, except as it is modified or is inconsistent with this Supplemental Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Agreement to be executed by their duly authorized representatives, in dupli-

cate, in the English and Spanish languages at Lima, Peru, this 28th day of June 1947.

Minister of Public Health,
Labor and Social Welfare

By ALBERTO HURTADO
Minister

The Institute of Inter-American
Affairs

By ERNEST B. HOWARD
Special Representative